# Housing Need and Affordability in King County

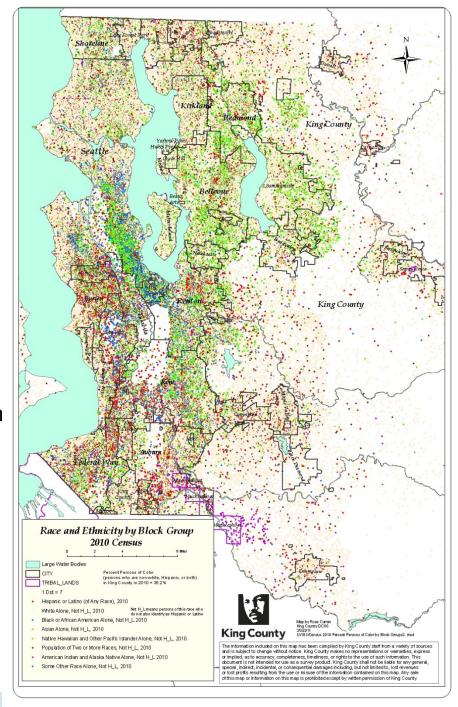
Updated Needs Assessment for King County Consolidated Housing and Community Development Plan based on Census 2010 and American Community Survey (ACS) 2006 – 2010 data

# Changing Demographics

Diversity
Opportunity Mapping
Age Distribution

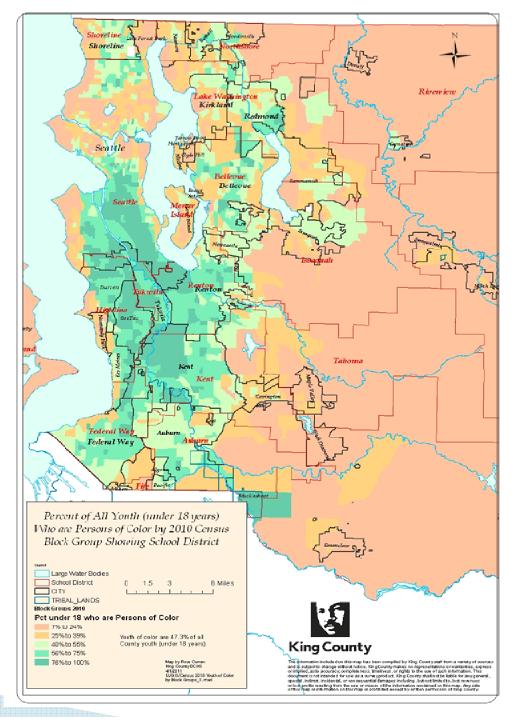
# Diversity in King County has Increased Threefold since 1980

- The proportion of King County's population that are "persons of color" has increased more than threefold in three decades:
  - 10.2 percent in 1980
  - 26.6 percent in 2000
  - 35.2 percent in 2010.
- Greatest growth was among Hispanic/Latinos (of any race). They rose to almost 9 percent of the population.
- Asian population (non-Hispanic) rose from under 11 percent to 14.5 percen since 2010.
- Asians and Hispanics are represented in nearly all areas of the County
- However, the highest percentages of Hispanic households and most Black/African-Americans reside in South Seattle and South King County.



# Youth of Color are Majority in Much of South Seattle and South King County

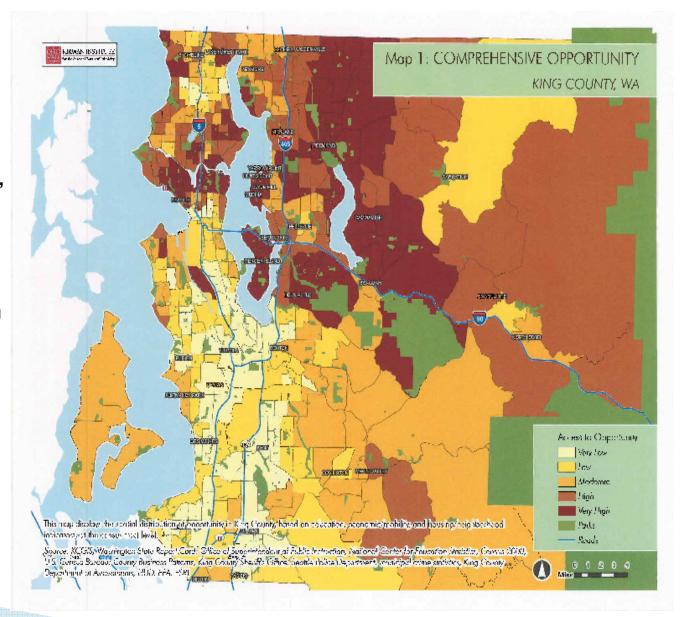
- Much of the growth in diversity comes from recent immigrants, many of whom settle in South Seattle and the South County
- In the dark green areas on the map 76% to 100% of the youth are youth of color. In the medium green areas, 56% to 75% are youth of color.



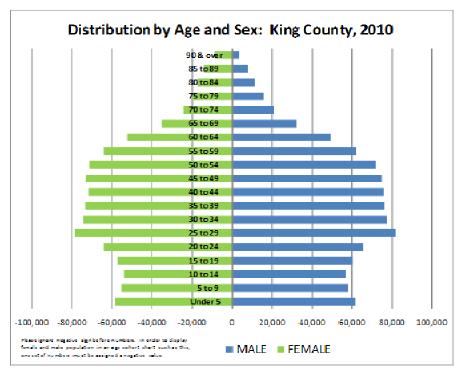
### Place Matters! An Opportunity Map of King County

#### Opportunity mapping

- a way to show geographic areas that provide higher likelihood of success because of access to jobs, quality education, public transit, healthy environments, and other amenities.
- Darker areas on this map show regions with high opportunity.
- Map is based on a composite index of education, mobility, economic, health, and neighborhood/ housing indicators which correlate with opportunity to succeed

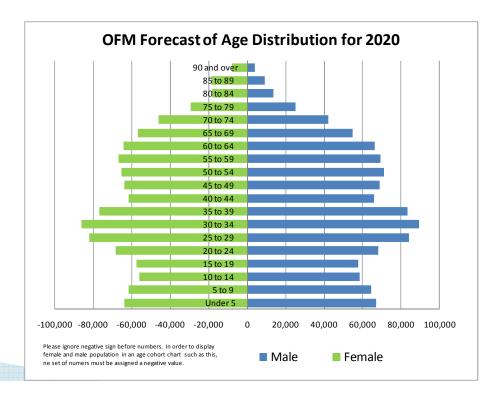


### Senior Adults Will Continue to Increase



- King County is likely to see the addition of over 200,000 seniors – doubling the current senior population – in the next fifteen years (by about 2027).
- Older adults (over 60) are likely to increase to 22 percent of the population by 2025 2030, up from the 16 percent they currently represent.

- The relatively large age groups from 25 to 60 are moving upwards in age
- This increase in the 55 + population causes a "fattening" towards the top of the chart below
- The youth and teen populations remain relatively stable.

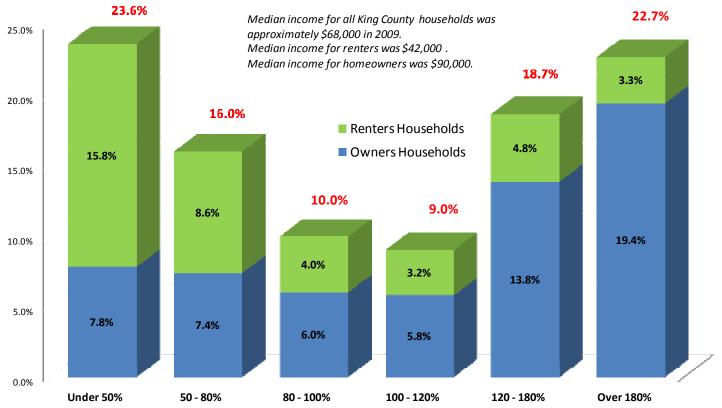


# Changing Income Distribution

The "Thinning of the Middle"

## Income Distribution in King County in 2009

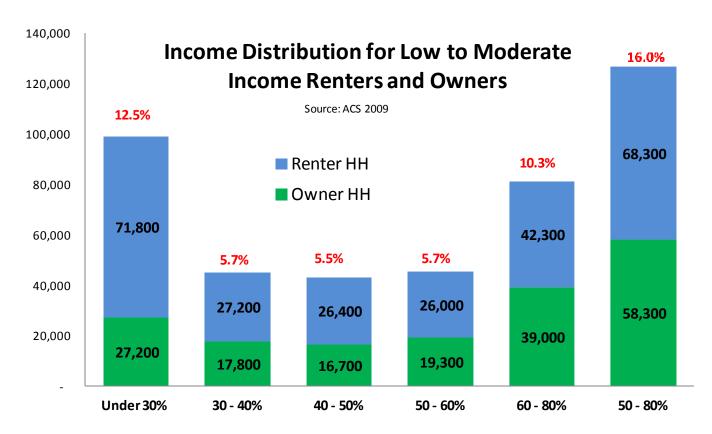
# Distribution of Income and Percent ofHouseholds that are Renter or Owner Households by Income Group (2009)



Based on 2009 American Communities Survey for King County, WA

- 40% of KC households earn under 80% of Median Income
- 19% earn 80 -120%
- 41% earn over 120% of median income
  - There has been a "thinning of the middle" in income distribution with more low income and more high income than in previous decades.

### Low-Moderate Income Distribution



- Of the nearly 40% of all households that earn under 80% of median income,
  - 12.5% earn under 30% of median income
  - 11.2% earn from 30 50% of median
  - 16.0% earn from 50 80% AMI

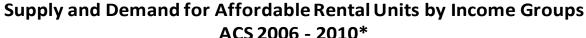
# Renter Households: Forty percent are Low- or Very Low-Income

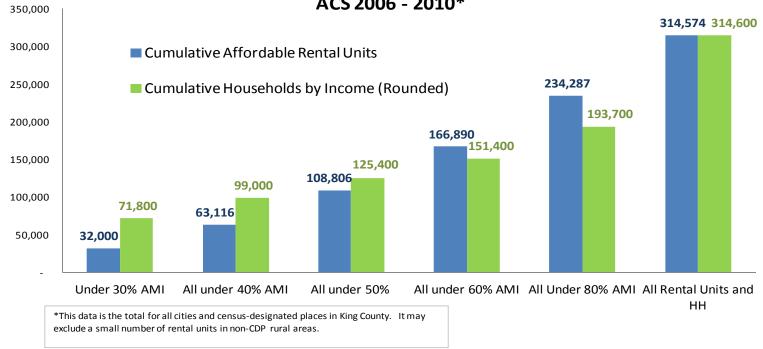
- 23 percent of renter households earn 30 percent of median income or below (very low income)
- ▶ 17 percent of renter households earn 31 50 percent AMI (low income)
- When added to those at or below 30 percent AMI, nearly 40 percent of renter households earn 50 percent of median income or below.
- An additional 22% of renters earn between 51 percent and 80 percent AMI.

# Housing Affordability

Rental Supply and Demand
Overall Affordability by SubRegion and Census Tract
Housing Cost Burden

## Rental Supply and Demand



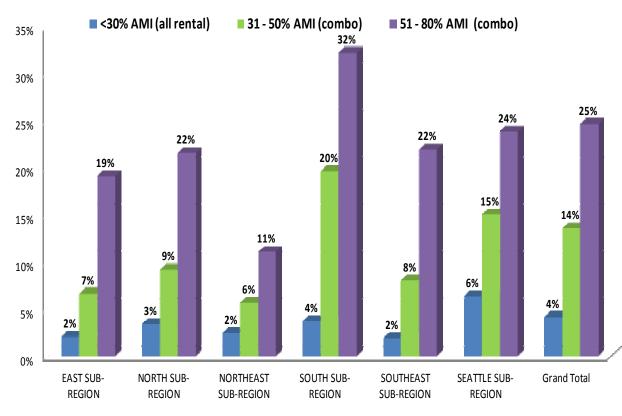


\*This ACS data includes subsidized rental units as well as market rate rental units.

- At under 30% AMI there is a deficit of nearly 40,000 units
- At 40% AMI there is a cumulative deficit of nearly 36,000 units
- At 50% of median income, the cumulative deficit is about 16,600 units
- In some areas the supply of housing at 40 60% of median income is very insufficient to the need, while in other parts of the County it is sufficient.
- Where there are sufficient units, many may be occupied by higher-income renters.

## Overall Affordability by Sub-Region

# Percent of Low and Moderate Income Housing Units by Sub-Region (Both Rental and Owner Units, ACS 2006 - 2010)



\*This ACS data includes subsidized rental units as well as market rate rental units.

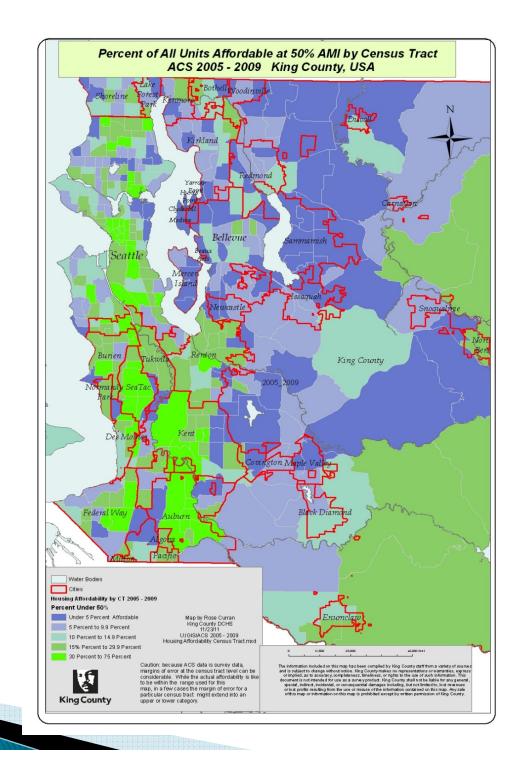
#### VERY LOW INCOME (blue columns)

- In the North, East, Northeast, and Southeast Sub-Regions, only 2 - 3 percent of all units are affordable to the 12.5 percent of all households that are very low income
- In Seattle, about 6 percent are affordable to very low income, and in the South, about 4 percent are affordable.

#### LOW INCOME (green columns)

- In the South, 20 percent of units are affordable to those at 31 50 percent of median income, for a total of 24 percent affordable to all households under 50 percent of median income.
- In Seattle, 15 percent are affordable to those at 31 - 50 percent median, for a total of 21 percent affordable at 50 percent median or below.
- In the other sub-regions just 6 9 percent are affordable to those at 31 50 percent of median, for a total of 8 12 percent affordable to all households at 50 percent of median income or below.

Distribution of All Units
(Rental and Ownership)
Affordable at 50% AMI and below – by Census Tract



### Housing Cost Burden in KC

- The percent of all households who pay more than thirty percent of their income for housing has risen from 27% to 40% countywide since 1990.
- In 2009, 81% of renters who earned half of median income or less, paid more than thirty percent of their income for housing
- 69% of all renters who earned under \$50,000 (70 percent of median income) overpaid for housing
- 67% of all owners earning under \$50,000 overpaid for housing

Percent of Owners and Renters who Overpay* for Housing						
	1990 Census	2000 Census	2005 American Community Survey	2009 American Community Survey		
Owners	18%	27%	33%	36%		
Renters	39%	40%	47%	45%		
Combined	27%	33%	38%	40%		

\*This measures all households who report paying more than 30% of their income for housing costs. This data was not reported in the 2010 Census. Although some middle-income households may be able to afford more than 30% of their income for housing costs, the lower the household's income, the more likely it is that there will be insufficient income for other essential needs, such as food, clothing, transportation, health care, and savings for emergencies.

#### Percent of Owners and Renters who Overpay\* for Housing by Income Group: ACS 2009

Income Group	Income Range of 2 PP Household in this Income Group	Renters		Owners	
		Number	Percent	Number	Percent
Less than 30% median income	\$0 - \$19,999	57,274	81%	21,217	79%
30 - 50% median income	\$20,000 - \$34,999	45,864	81%	24,153	66%
50 - 70% median income	\$35,000 - \$49,999	23,432	43%	24,987	60%
All Households Under 70% median income	Under \$50,000	126,570	69%	70,357	67%

\*This measures all households who report paying more than 30% of their income for housing costs. This data was not reported in the 2010 Census. Although some middle-income households may be able to afford more than 30% of their income for housing costs, the lower the household's income, the more likely it is that there will be insufficient income for other essential needs, such as food, clothing, transportation, health care, and savings for emergencies.

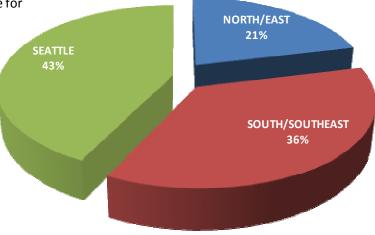
# Cost-burden for low-income households by sub-region

- There is very little difference between sub-regions in the proportion of low income households who are costburdened
- However, Seattle has a much higher number of lowincome households and thus, of lowincome households who are costburdened
- Seattle's share of all cost-burdened low-income households is 43% compared to 36% in the South, and 21% in the North/East

	Number of Low Income HH Who Are Cost-Burdened	Percent Cost- Burdened	Share of County's Low Income Cost- Burdened HH
NORTH/EAST	30,562	83%	21%
SOUTH/SOUTHEAST	51,802	81%	36%
SEATTLE	61,197	80%	43%
ALL KING COUNTY	143,561	81%	100%

#### Low Income Cost Burdened\* Households: Share by Sub-Region

\*This includes all households, both renter and owner, who earn 50% of median income or less, and who pay more than 30% of their income for housing.



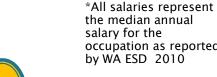
# Who Needs Affordable Housing?

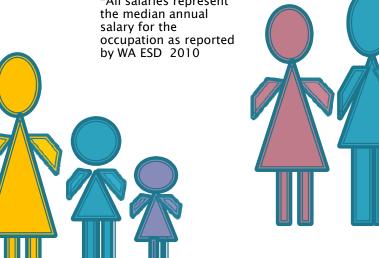
#### 3 person HH at 30% AMI

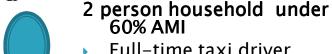
- Retail salesperson earning \$24,131\*
- Child-care worker earning \$23,621

#### 2 person HH at 40% AMI

- Information clerk earning \$28,900
- Full-time cook earning \$27,131
- Retired couple living on two modest social security checks (\$27,600)





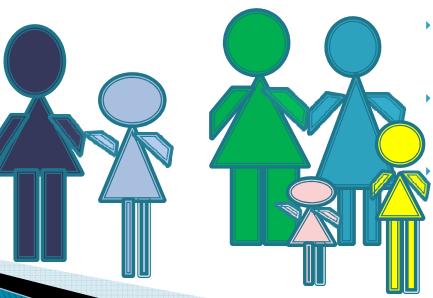


- Full-time taxi driver earning \$20,656 plus half-time library technician earning \$19.370
- Full-time community or social service worker earning \$42,097
- Retired couple earning \$42,200 in pensions

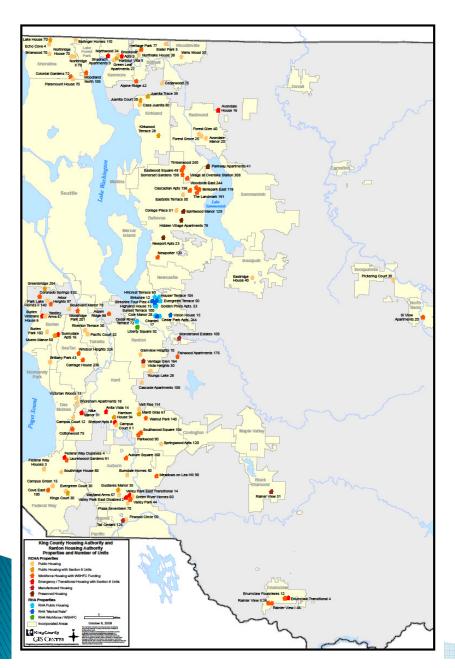
#### 4 person household under 80% AMI

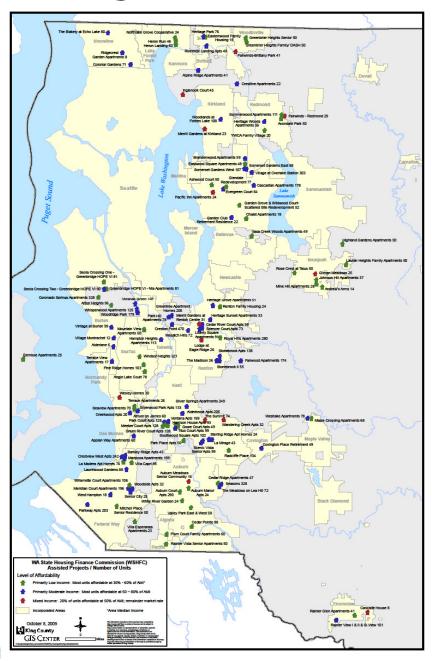
- **Environmental Scientist** earning \$63,867
  - Epidemiologist earning \$66,241

Full-time sales rep earning \$30,836 plus full-time medical secretary earning \$38,582



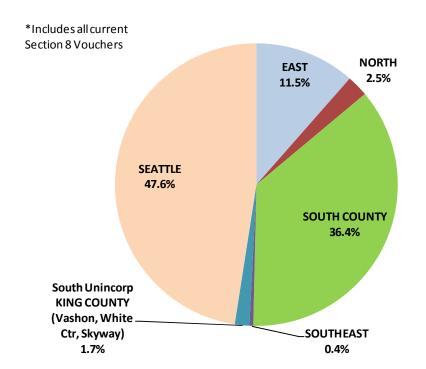
# Where is Current Subsidized Housing?



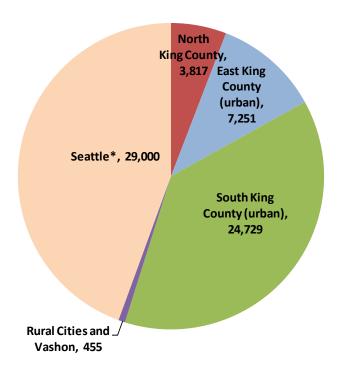


### Two Views - Similar Picture

#### Share of All Publicly-Assisted Units Built Since 1995\*in King County Affordable at 50% AMI or Below



#### Distribution of All Publicly-Assisted Units in King County as of 2010 (Up to and above 80% AMI)



Further information on opportunity mapping available at: <a href="http://www.psrc.org/assets/7831/EquOppSusReport2.pdf">http://www.psrc.org/assets/7831/EquOppSusReport2.pdf</a>
King County Consolidated Plan Needs Assessment: 2012 Update and King County Housing Technical Appendix to KC Comp Plan: <a href="http://www.kingcounty.gov/socialservices/Housing.aspx">http://www.kingcounty.gov/socialservices/Housing.aspx</a>

# QUESTIONS?





# Sources of Public Assistance by Income Level

#### Approximate Number of Subsidized Units at Various Affordability Levels in King County Pct of All 80 and **Total Units Total Units Total Units** Units above\*\* 50 - 60% | 60 - 80% | affordable Under 30% | 31 - 40% | 40 - 50% with Public Under 50% Affordable at (various Under 80% **AMI Funding** 50% AMI or sources) WS Housing Finance Commission (tax credit or bond) 691 952 2,865 4,508 11.1% 5,974 254 10,736 King County Housing Authority 506 1,963 8,803 1,751 11,060 27.3% 2,323 15,346 **Renton Housing Authority** 238 669 907 2.2% 588 1,495 King County Housing & Comm Dev Funds\* 624 5.006 740 6.370 15.7% 450 260 7.080 Seattle Housing Authority and Seattle Off of Hsg Funds 14,145 3549 17,694 43.6% 2609 20,303 Total Units at Each Level 16,204 14,761 9,574 40,539 100.0% 8,747 5,674 54,960 10,292 65,252 Percent at Affordability Level 25% 22.6% 14.7% 62.1% 62.1% 13.4% 8.7% 84.2% 15.8% 100.0%

- Over 40,500 assisted units countywide are affordable to those at 50% AMI or below.
- The Housing Authorities provide about 28,700 of the units affordable at 50% AMI or below, about 17,500 in the form of vouchers
- ▶ About 16,200 units or vouchers for units are affordable at 30% and below
   ▲ Another 14,000 are affordable at 50 80% AMI

<sup>\*</sup> KC HCD data reflects income level of actual occupants of units rather than targeted "set asides". Numbers have been rounded up to account for vacant units. In general, there are more occupants of these KC HCD units at the lowest income levels than the number of units set aside, and fewer occupants at the higher income levels (60 - 80%). \*\*Some non-profit bond recipients may provide units at 80 - 100% AMI, but these are not guaranteed.

# Current Condo Affordability by Sub-Region

- Currently, over 40% of condos in King County are affordable to those at 80% AMI
- Over 20% are affordable to those earning 60% AMI.
- There appears to be a market for homes in this range.

CONDO PRICES AND AFFORDABILITY BY CITY AND SUB-REGION:2010						
Place Name	Number of Condo Sales	Condo Average Sale Price / Weighted Average for Region	Condo Median Sale Price	Percent Affordable at 60% AMI	Percent Affordable at 80% AMI	
EAST URBAN REGION						
East	1,327	\$ 325,292	\$ 251,035	18.5%	41.6%	
NORTH URBAN REGION						
North	52	\$ 240,658	\$ 177,000	38.5%	69.2%	
NORTHEAST RURAL CITIES REGION						
Northeast Rural Cities	34	\$ 284,324	\$ 246,000	0.0%	29.4%	
SOUTH URBAN REGION						
South	601	\$ 180,834	\$ 199,238	55.4%	76.9%	
SOUTHEAST CITIES REGION						
Southeast	14	\$ 224,514	\$ 193,650	21.4%	57.1%	
SEATTLE REGION						
SeattleTotal	1,713	\$ 383,419	\$ 298,000	10.4%	29.6%	
UNINCORPORATED URBAN AND RURAL						
Unincorp King County	165	\$ 225,950	\$ 232,000	26.1%	52.7%	
Total KC	3,908	\$ 322,419	\$ 260,000	21.1%	42.5%	

\*The average household size in King County is just under 2.4 persons per household. Because condominiums are generally smaller, affordability for condos is based on a two-person household. HUD income levels have been used to determine the maximum income of the two-person household in each income group. Based on that income, the mortgage payment and home price for that income group is calculated using a 10% downpayment and 5% interest on a conventional loan. The affordable home price is rounded up to the next thousand dollars. At 60% AMI, a household could afford a condo priced at about \$180,000; at 80% AMI, \$240,000; at 100% AMI (median income),\$300,000.

# Diversity in King County has Increased Threefold since 1980

- The proportion of King County's population that are "persons of color" has increased more than threefold in three decades:
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- Greatest growth was among Hispanic/Latinos (of any race). They rose to almost 9 percent of the population.
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